GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4935
ANSWERED ON:31.03.2017
Loan Repayments
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Will the Minister of FINANCE be pleased to state:

(a) whether the demonetization has impacted loan repayments in the banks and if so, the details thereof;

(b) whether the Government proposes to amend the 90 days concept for NPA norms in the new situation;

(c) if so, the details; and

(d) whether the Government intends to bring any other changes in the NPA norms and if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) to (d): Reserve Bank of India (RBI) has informed that the norms for asset classification/restructuring have evolved over a period and the 90 days delinquency norms were brought in through a calibrated manner to benchmark RBI prudential regulations to the international standards. The 90 dates delinquency norms is quite reasonable and is an internationally accepted norms. These norms were brought in after extensive consultations and were based on the report of the Committee on Banking Sector Reforms. RBI has issued detailed guidelines on restructuring for facilitating timely and transparent mechanism for restructuring of debts of viable entities affected by internal or external factors.

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